

GEMINI MINES LLC



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July 16, 2016

Paul B. Baker

Minerals Program Manager

Division of Oil Gas and Mining

1594 West North Temple St., Suite 1210

Salt Lake City, Utah 84116

RECEIVED

JUL 19 2016

DIV. OF OIL, GAS & MINING

Dear Mr. Baker –We have your “Citation for non-compliance” dated June 15, 2016 commanding us to discontinue all mining activities with the exception of reclamation. We have obeyed. Enclosed herewith is a proposed amendment to our present “small mine permit” which at present consists of 6 acres, with a cash bond in place of \$31,839, which is being held by Zions Bank.

We propose to modify our existing “small mine permit” by increasing the acreage to 9.98 acres, and reclaiming a portion of the existing “small mine permit.” See enclosed map drawn on an aerial photo base. The area within the white line represents our proposed new “small mine permit” with 9.98 acres. The red and red shaded areas on this map will be reclaimed. By expanding our existing “small mine permit” from 6 to 10 acres, we acknowledge that the surety bond will need to be increased. The information published by DOGM indicates that the additional 4 acres will require 4 x \$5,200 for a total increase in our bond of \$20,800. We are prepared to provide additional cash bond in this amount.

It is my understanding that you and Wayne Western will be carrying out a field examination of our mine on Friday, July 29th, 2016. At that time we will be prepared to personally show you on the ground where we are mining and what areas we intend to reclaim. When we first applied for the existing “small mine

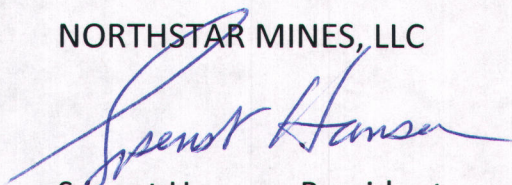
permit" in 2009, we had a much limited understanding of the configuration of the alumina ore body that we have been mining. As a result, much of the area included in the existing "small mine permit" was outside the limits of the ore body. We now have a much greater understanding of the configuration of the alumina ore body. During the past 4+ years we have provided valuable alumina raw materials for the manufacture of portland cement to Utah's two cement companies, Ash Grove Cement Company (Leamington) and Holcim Cement Company (Devils Slide). It is our desire to once again be in full compliance with the DOGM rules and regulations by amending our small mine permit, and posting the additional bond.

Also enclosed are the form MR-RC (SMC) for the Blackjack Mine (this one—S0230106) and the January Dump (S0230100) which advises DOGM of the change in the name of our company. For business reasons we changed our company from a Utah "S" corporation (Northstar Clay Mines, Inc.) to a Utah LLC (Northstar Mines LLC). This was done through the Utah Department of Corporations and is fully consistent with Utah Law.

We are anxious to begin operating the Blackjack Mine again, and will do so at such time as we are in full compliance with DOGM rules and regulations. After DOGM approvals have been obtained, within 30 days mining equipment will be moved back to the Blackjack Mine. The first task will be to perform complete reclamation. As soon as the necessary permit has been approved, and reclamation is complete, we will begin ore mining.

Yours Truly

NORTHSTAR MINES, LLC



Spenst Hansen, President



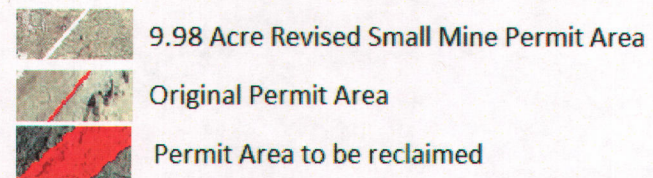
SW 1/4 of Section 30, T10S, R2W, S1M

Black Jack Clay Mine Operations Map

Location of revised 10 acre small mine operations.

Surface disturbance highlighted in red will be reclaimed prior to mining.

Northstar Mines LLC



DOGM - BONDS SUMMARY

(as of 07 - 01 - 2016)

MINE	DATE	CASH DEPOSITS	RUNNING SUB-TOTAL	INTEREST ADDED	TOTAL
January	3/27/2008	\$5,900	\$5,900		
BlackJack	3/12/2009	\$24,000	\$29,900		
jJanuary	5/19/2011	\$1,600	\$31,500		
Most Recent STMT	6/30/2014	\$31,500	\$31,500	\$339.20	\$31,839.20

JANUARY	EVENT	
5,900.00	first deposit	
1,600.00	second deposit	
7,500.00	sub-total	
(5,500.00)	Trans to BLKJK	
2,000.00	TOTAL TO DATE	2,000.00

BLACKJACK	EVENT	
24,000.00	first deposit	
24,000.00	sub-total	
5,500.00	Trans From January	
29,500.00	TOTAL TO DATE	29,500.00
		31,500.00

Date	Mine	Event	Cash Deposit	running Subtotal	Interest Added	Total
3/27/2008	January Dump	Cash Deposit	\$5,900	\$5,900		
3/12/2009	Black Jack 5 Acre Mine	Cash Deposit	\$24,000	\$29,900		
5/19/2011	January Dump	Cash Deposit	\$1,600	\$31,500		
6/30/2014	Most Recent STMT		\$31,500.00	\$31,500.00	\$339.20	\$31,839.20

January Total to Date \$2,000

Black Jack first Deposit \$24,000.00
Trans From January \$5,500.00
Total to Date \$29,500.00 \$31,500.00

Existing Bond		
Current Bond		\$29,500.00
6 Acres		\$29,500.00
4 additional acres		\$22,800.00
Escalation Due Date		2017
Total		\$52,300.00
Required Deposit		\$22,800.00